

CITY COUNCIL AGENDA ITEM COVER MEMO

Agenda Item Number: _____

Meeting Type: Regular

Meeting Date: May 26, 2016

Action Requested By: Legal

Agenda Type: Resolution

Subject Matter:

Invoking Letter of Credit.

Exact Wording for the Agenda:

Resolution authorizing the Clerk-Treasurer to invoke Progress Bank Letter of Credit No. 9000351700 for Southgate Subdivision Phase 2.

Note: If amendment, Please state title and number of the original

Item to be considered for: Action

Unanimous Consent Required: No

Briefly state why the action is required; why it is recommended; what council action will provide, allow and accomplish and; any other information that might be helpful.

Associated Cost: _____

Budgeted Item: Not Applicable

MAYOR RECOMMENDS OR CONCURS: Yes

Department Head:  _____

Date: 05/18/2016

RESOLUTION NO. 16-_____

WHEREAS, Progress Bank issued a certain letter of credit (No. 9000351700), a copy of which is attached hereto and incorporated herein by reference, including any amendments thereto, in favor of the City of Huntsville, Alabama pursuant to Article 5 of the Subdivision Regulations for the City of Huntsville, Alabama; and

WHEREAS, the letter of credit is due to be invoked and the proceeds used in accordance with said subdivision regulations.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Huntsville, Alabama, that the City of Huntsville Clerk-Treasurer be and is hereby authorized to present for payment to Progress Bank Letter of Credit No. 9000351700, prior to the expiration date thereof, with the language as specified in said Letter of Credit.

ADOPTED this the 26th day of May, 2016.

President of the City Council
of the City of Huntsville,
Alabama

APPROVED this the 26th day of May, 2016.

Mayor of the City of
Huntsville, Alabama



IRREVOCABLE LETTER OF CREDIT NO. 9000351700

Beneficiary:

City of Huntsville
P. O. Box 308
Huntsville, AL 35804

Account Party:

J J & M Properties, LLC
7001 Southgate Drive
Owens Cross Roads, AL 35763

Bank:

Progress Bank and Trust
201 Williams Avenue
Huntsville, AL 35801

201 Williams Avenue
Huntsville, Alabama 35801
Phone 256.319.3600

Subject: Article 5 Improvements/ Pre-Acceptance Letter of Credit for SOUTHGATE SUBDIVISION PHASE II AND A RESUBDIVISION OF LOT 51 SOUTHGATE SUBDIVISION PHASE I AS RECORDED IN DOCUMENT NUMBER 20060308000148380

Amount: \$50,000.00
Issue Date: June 9, 2015
Expiration Date: June 9, 2016

Gentlemen:

We hereby issue our Irrevocable Standby Letter of Credit # 9000351700 in your favor, effective June 9, 2015, for a sum not to exceed \$50,000.00. Available by your one or more Drafts at SIGHT on us.

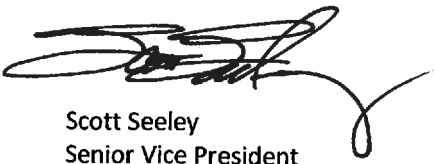
All draft(s) drawn under and in compliance with the terms of this Credit prior to the expiration thereof will be duly honored if drawn and presented for payment to Progress Bank and Trust, 201 Williams Avenue, Huntsville, Alabama 35801.

Each draft must be accompanied by a statement signed by a representative of the City of Huntsville, Alabama, stating that the draw is being made pursuant to Article 5 of the Subdivision Regulations.

The original of this Letter of Credit must be presented with any drawing.

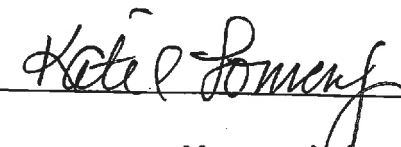
We hereby engage with you that drafts drawn under and in compliance with the terms of the credit will be duly honored upon presentation and delivery of the documents as specified.

This Letter of Credit shall be governed by the laws of the State of Alabama, including but not limited to, the Alabama Uniform Commercial Code, as the same may be from time to time amended.


Scott Seeley
Senior Vice President

Sworn to and subscribed before me this 9th day of June, 2015.

Notary Public



My commission expires 03/01/2017

DB 4-22-15

CP 6/22/15

ju rca

6/23/15

OK
CEIX
6/23/15